

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88206; File No. SR-BOX-2019-37]

### Self-Regulatory Organizations; BOX Exchange LLC; Notice of Designation of Longer Period for Commission Action on a Proposed Rule Change in Connection With the Proposed Commencement of Operations of Boston Security Token Exchange LLC as a Facility of the Exchange

February 13, 2020.

On December 18, 2019, BOX Exchange LLC (the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change in connection with the proposed commencement of operations of Boston Security Token Exchange LLC (“BSTX”) as a facility of the Exchange. The proposed rule change was published for comment in the *Federal Register* on January 3, 2020.<sup>3</sup> The Commission has received one comment letter on the proposed rule change.<sup>4</sup>

Section 19(b)(2) of the Act<sup>5</sup> provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is February 17, 2020.

The Commission hereby is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.

Accordingly, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> the Commission designates April 2, 2020 as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-BOX-2019-37).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

Jill M. Peterson,  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88200; File No. SR-CboeBZX-2020-015]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Amend the Logic That Would Be Used To Cancel MOC Orders Entered for Participation in the Cboe Market Close in the Event the Exchange Becomes Impaired

February 13, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 4, 2020, Cboe BZX Exchange, Inc. (“BZX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (“BZX” or the “Exchange”) is filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to amend the logic that would be used to cancel MOC orders entered for participation in the Cboe Market Close in the event the Exchange becomes impaired. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website (<http://markets.cboe.com/us/>

[equities/regulation/rule\\_filings/bzx/](#)), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

#### II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

##### A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The purpose of the proposed rule change is to amend the logic that would be used by the Exchange to cancel Market-On-Close (“MOC”) orders entered for participation in the Cboe Market Close in the event the Exchange becomes impaired. The Exchange believes that the proposed rule would provide greater transparency to members and investors with regard to how their orders would be handled if the Exchange experiences a systems or other issue that impacts the ability of the Exchange to complete the Cboe Market Close in one or more securities.

The Cboe Market Close is an innovative closing match process for non-BZX Listed Securities that is designed to match buy and sell MOC orders at the official closing price for such security published by the primary listing market.<sup>3</sup> Currently, Interpretations and Policies .02 to Rule 11.28 provides that the Exchange will cancel all MOC orders designated to participate in Cboe Market Close in the event the Exchange becomes impaired prior to the MOC Cut-Off Time and is unable to recover within 5 minutes from the MOC Cut-Off Time.<sup>4</sup> When originally proposed, the Exchange stated that the purpose of this rule was to provide an opportunity for members to

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 87868 (December 30, 2019), 85 FR 345.

<sup>4</sup> See Letter from Ellen Greene, Managing Director, SIFMA, to Vanessa Countryman, Secretary, Commission, dated January 13, 2020. All comments on the proposed rule change are available on the Commission’s website at <https://www.sec.gov/comments/sr-box-2019-37/srbox201937.htm>.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> *Id.*

<sup>7</sup> 17 CFR 200.30-3(a)(31).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The Commission approved the Cboe Market Close on January 21, 2020. See Securities Exchange Act Release No. 88008 (January 21, 2020), 85 FR 4726 (January 27, 2020) (SR-BatsBZX-2017-34).

<sup>4</sup> The MOC Cut-Off Time is 3:35 p.m. ET, and represents the time up until which members may enter, cancel, or replace MOC orders designated for participation in the Cboe Market Close. See BZX Rule 11.28(a).